

# The 4<sup>th</sup> JEF-KRA Global Risk Symposium

**‘Global risks and opportunities under the “With-Corona” global order’**

**17:00 -19:00 (JST), Monday 12 and Tuesday 13 October**

Japan Economic Foundation (JEF) and Komatsu Research & Advisory (KRA) co-organised the fourth Global Risk Symposium to analyse the current rapidly changing international climate from a multifaceted perspective. Given the pandemic, for the first time, it would be held as an online conference (with simultaneous interpreters) over two consecutive days. Speakers joined from 4 countries: Japan, South Korea, the United Kingdom and South Africa. The symposium was held under the Chatham House Rule to encourage frank discussion among the speakers and the audience. An exclusive audience of 50 people including government officials, businesspersons, researchers, scholars and media personnel attended the event.

The following is a summary of the symposium produced with the permission of the speakers.

## **Opening Remarks**

**by Mr. Kazumasa Kusaka, Chairman and CEO, Japan Economic Foundation**

Mr. Kusaka thanked the audience for joining the online symposium and briefly explained JEF’s recent activities and the thinking behind holding the annual symposium.

When businesses actively operate globally, they may not be able to make good business decisions unless they become sensitive to global risks beyond business inherent risks. To address these challenges, it is extremely important to understand the structure of risks and its backgrounds. The top people from industry, academia and the government are participating to discuss not only their areas of expertise, but taking interest in economy, security and geopolitical risks. Discussions are held to cultivate capabilities to grasp things comprehensively, to enable a holistic approach.

Otherwise, business communities or security experts will not be able to understand the other field and may take action in a one-sided way with only partial knowledge.

This year, the theme of the global risk symposium is, what changes is the global pandemic bringing. While we have been trying to keep it under control, what does it mean to live “with Corona”, to coexist with COVID-19. How would the world move and what does it mean for global risks, these are themes that will be covered in this year’s symposium.

We hope to hear from each perspective, how to not only passively but actively respond to the risks and opportunities even with the limitations of “with Corona”. While the COVID-19 pandemic is a clear and present danger in front of us, we hope this symposium would be able to contribute to improving our response towards the risks presented by the coming global challenge through hearing how world-class top-level practitioners and thinkers think through and take action.

### **Guest Speech**

**by Professor Yoriko Kawaguchi**, Minister for Foreign Affairs (2002-2004), Minister of the Environment (2000-2002), Visiting Professor, Musashino University, Fellow, Musashino Institute for Global Affairs

COVID-19 has upended the world for almost 10 months. The economy, education, no field was free from the impact of COVID-19 and unfortunately the future is quite uncertain. The task given to me today is to discuss the risks and opportunities for international politics from COVID-19.

The international community was already facing a multitude of problems before the outbreak of COVID-19 and the subsequent pandemic aggravated these issues. There were various frictions associated with the rise of China, in particular, rising tensions between the US and China in political, economic and military areas. After the inauguration of US President Trump, the America-first policy became very evident, Brexit and conflicts in Syria and other areas, poverty, deterioration in

international co-operation, fragmentation of international community, the lack of leadership, and the list goes on. According to the poll by the US Pew Research Centre on 6 October 2020, which was conducted in 14 advanced economies, it shows a lack of trust in leaders in world-leading countries which is very unfortunate.

The fact that COVID-19 became a rapid aggravating factor in a way cannot be helped because of the nature of the pandemic. The pandemic countermeasures are mostly domestic, such as closing of borders, and reducing dependency on foreign countries including supply chains. As a reflection of the constraints on domestic politics, diplomacy is also constrained for both the US and China and they cannot but take hardliner policies against each other. Having said so, the problem is how to reduce the risk that has increased. The root of the problem is in the difference in principles of governance between China and countries including the US, Europe and Japan, such as the rule of law, freedom of speech and democracy. Therefore, the improvement of the situation is extremely difficult for the short-term.

Regarding the competing relationships between the two major powers, the US and China, so long as the competition is healthy and based on rules, it can be a stabilising factor from the perspective of international politics, in comparison to a case where one hegemonic state is taking the leadership. It is against the interest of Japan to have poor relations with its ally and its neighbour, so what Japan needs to do in terms of its role is to contribute to smoothe communication between the US and China and make sure that there are no misunderstandings between these two countries. It doesn't mean that Japan should be equidistant in its diplomacy; Japan needs to maintain solidly the position of US ally but also support mutual understanding between the US and China by understanding both countries better.

Another impact from COVID-19 on international politics is a greater importance of international co-operation. The pandemic crosses borders and thus the infections cannot be controlled without international co-operation. The pandemic also will burden more on the vulnerable in the international community; international assistance and resource reallocation are therefore needed more than ever.

From the experience of the pandemic this time, we learnt that there are risks and uncertainties that are not foreseeable and controllable. Human beings must humbly coexist with the earth to survive. It is important to achieve SDGs, strengthen international regimes, climate change, biodiversity, infectious disease control and abolition of weapons of mass destruction including nuclear weapons. We must strengthen such international regimes. Regarding this point, the thinking of the EU reconstruction fund provides a useful reference.

Professor Kawaguchi believes that this suggests a possible role for Japan to take leadership to advance effective international co-operation with likeminded countries. To fulfil that role, Japan must maintain an international status respected by other countries, make efforts to constantly reform, to energise the Japanese economy, internationalise Japanese people and society, and to maintain and develop its soft power.

It is clear that now is not an abnormal time, and we cannot expect to go back to pre-COVID-19 days and this is both a risk and opportunity. That is all the more reason why we have to take action to use these opportunities to realise the desirable new normal. That is our responsibility.

### **The concept of this symposium explained by the moderator**

#### **Dr. Keiichiro Komatsu, Principal, Komatsu Research & Advisory (KRA)**

With regards to the concept of the symposium, the reason the theme is “With-Corona” and not “Post- Corona” is that this COVID-19 is not going to be like SARS, there is not going to be a clear exit. With this as the starting point, discussions on both risks and opportunities will be held during this symposium. In previous years at the annual symposium, the term “New Normal” has been used to explain this phenomenon. Even before the pandemic there were issues, but with this pandemic, some issues have accelerated while other issues have newly arisen. We hope to hear some insightful hints from the speakers.

On day 1, Sir Paul Collier, Professor from the University of Oxford, is the first speaker

with a talk about the implications of the pandemic on capitalism and democracy versus autocracy, not just from economics and politics, not just looking from a narrow theme, but from a broader perspective including philosophical points of view as well as values.

The second speaker is Professor Hassan Omari Kaya from University of KwaZulu-Natal in Durban, South Africa. The Western healthcare system is not well developed in most African countries. There was, therefore, a fear and expectation that if COVID-19 spreads, the continent would be severely affected, with dead bodies scattered across the streets or patients with severe symptoms. However, that is actually not happening. While different from the perspective of industrialised nations including Japan and South Korea, African local communities have over many millennia developed their own indigenous knowledge and traditional healthcare systems, which perhaps have been working much better than expected. From this perspective, the African continent may be able to provide some solutions towards global challenges.

On day 2, the first speaker is Mr. Nigel Inkster CMG, IISS Senior Adviser, and former no 2 at the so-called MI6. Speaking of MI6, in Japan and elsewhere, we think of James Bond and he was actually in that world. He specialises in China so we hope to hear about the future US-China relationship, and he is also an expert on cyber-security so that would be another theme we could hear from him.

Our second speaker is Dr. Dong Yong Sueng, who was a member of the Council of Policy Advisors to the President of the Republic of Korea as well as a member of the Council of Advisors on foreign and security policy to the Blue House, the South Korean Presidential Office. He is now the Secretary General of Good Farmers. He will be talking about the impact of the pandemic on the Korean peninsula as well as the surrounding East Asia, not from a medical perspective but from a comparative view of different political structures.

The symposium is held under Chatham House Rule to encourage frank discussions.

**Presentation Title:** “Democracy VS Autocracy” in the context of tackling a new crisis

**Speaker:** Sir Paul Collier, Professor of Economics and Public Policy at the Blavatnik School of Government, University of Oxford and a Director of the International Growth Centre, and the ESRC research network, Social Macroeconomics.

Note: This presentation was made in English and simultaneously translated into Japanese for the Japanese speaking audience.

Sir Paul Collier raised the question of “Democracy VS Autocracy” in the context of tackling a new crisis such as the COVID-19 pandemic. He started by explaining the three characteristics that a successful society needs.

The first characteristic is a degree of social cohesion. It is possible to have any amount of difference within the society as long as there is some overarching concept of shared identity, shared purpose, shared understanding about how things work and don't work, and shared obligations. Social cohesion is enormously important in building willing compliance not only for individual citizens but also for firms, families and local communities around some common purpose and some common understanding of the strategy that is needed. The genius of social cohesion is a community in which people are able to have a dialogue, a conversation between equals and can search together for a common understanding.

The second characteristic is an ability to discover, the capacity to learn as you go. The COVID-19 pandemic is an example of what is called in economics “radical uncertainty” where if you asked anybody back in January “What should we do?”, the honest true answer was “we don't know”. There was no knowledge of how to deal with COVID-19, because nobody had ever had to dealt with it, it was something new. Such situations are very common. There are two massive global examples in the last twelve years; the global financial crisis and now the COVID-19 pandemic. To find out what to do as quickly as possible, you need a very different approach, from top down.

When it is clear what to do, a hierarchical structure works, but when we do not know

what to do, a hierarchical structure is very dangerous because the top is inclined to claim that they know best and insist everybody does the same thing, whereas if you do not know what to do, what you need is experiments in parallel. For that it is necessary to decentralise, devolve the power of decision down to the bottom of society and devolving the agency to try come up with solutions in a team, and it is very useful because it merges two different types of knowledge.

All good decisions in any context rest on the fusion between expert knowledge and tacit knowledge. What is needed is to push the relatively shareable expert knowledge down towards the people, while at the same time practitioners who have practical knowledge, which is much harder to share because it is particular to context and time and more than often unwritten, try and push that practical knowledge up towards the people at the top. By devolving a system, it not only facilitates rapid learning but also creates a structure that empowers the people on the ground and creates an active participatory community dialogue.

The third characteristic of a successful society is that you need leaders who can be trusted. A trusted leader is not “commander in chief” issuing orders but a “communicator in chief”. In a situation like this pandemic, what the leader needs to do is to communicate a sense of common purpose; we all need to struggle to find out a solution to this problem; we all need to do our best. Since the answer is not known, we must expect sometimes to fail and there is no disgrace in experimenting and failing. In top down societies, there is a terrible fear of failing.

Professor Collier then applied this concept to the question of “Democracy vs Autocracy”. He pointed out that China is not a great successful autocracy but that its remarkable success over the last 40 years is a result of previous investments in social cohesion and rapid experiment built over 2000 years and made worse by the recent move to top down. The old emperors had responsibilities towards citizens and the leader earned the Mandate of Heaven by working towards a common purpose.

For 40 years, until recently China not only had this social cohesion, but it also acknowledged that it did not have all the answers. Repeatedly the Chinese

leadership tried to build common goals, typically objectives lasting over the next 4 years. The leadership would say that this is what we are trying to do, and then they decentralised and experimented by sending young bright party officials to regional governments and saying: “you experiment, you try something”, and that created very rapid experiment in parallel and hence they learned from both failures and from successes. China has recently moved to a very top down centralized system and that has actually amplified the COVID-19 problem. It took a long time for news of COVID-19 in Wuhan to move up the system because people were scared of failure so there were delays in the first instance. If you are scared, you hide failure and do not report it.

In East Asia, in the face of COVID-19 Japan, Singapore, South Korea and Taiwan all shared these features of having very strong social cohesion and trusted leadership and ability to build new common purposes very rapidly. In Western democracies, what was happening over the last 40 years was actually a widespread derailment of capitalism. Capitalism can work for everybody if there is good public policy that enhances the innovations that capitalism generates whilst compensating for those who lose out, so that people still trust the whole system. In much of Europe and America that did not happen and social cohesion was lost. There were huge new spatial rifts, a big divergence between the successful metropolis and broken provincial cities, as well as new educational divergence, a new class system. The tragedy politically was that nothing was done about this because the people losing out from the system also lost their voice and it was no longer a community in dialogue. Insider groups of the successful did not even notice that the less successful were suffering. Drawing on examples, Professor Collier then explained the need for leaders whom the people listen to when the word “we” is used, instead of half the society saying, “you are not ‘we’, you are an enemy”.

To conclude, Professor Collier pointed out that what we need is a balance within hierarchy. We need leaders who at times would set rules for us and say: “this is what you need to do”. But we also need an adaptive community because so much of the knowledge of what to do is at the bottom of the society, not at the top.

**Presentation Title:** Africa Building On Indigenous Knowledge Systems In Global Challenges: The Case of COVID-19

**Speaker: Professor Hassan Kaya**, Ph.D. in Sociology of Development and International Political Economy, Director of the DSI-NRF Centre in Indigenous Knowledge Systems, the University of KwaZulu-Natal

Note: This presentation was made in English and simultaneously translated into Japanese for the Japanese speaking audience.

Professor Hassan O. Kaya pointed out the fact that the impact of the COVID-19 pandemic in Africa has been less, compared to other global regions, and that this demonstrated the efficacy of African indigenous knowledge systems and the philosophy of people working together as a community.

There is a tendency to look at Africa as a country, while of course Africa is a continent covering 30 million square kilometres with diverse indigenous knowledge systems based on over 2000 distinct languages and cultures, 54 countries and a population of over 1.2 billion. Throughout colonisation, Africa's diversity was looked at as a problem of development, while in the context of African indigenous knowledge systems (AIKS), cultural diversity is an asset. This is based on the holistic and multi-transdisciplinary nature of the AIKS which advances the complementarity and democracy of knowledge systems in combating global challenges such as COVID-19 pandemic.

Professor Kaya defines African indigenous knowledge systems as bodies of knowledge, technologies and innovations, belief systems and value systems which communities in diverse cultures and ecosystems produce in order to sustain life. In contrast, western ways of looking at knowledge tend to be limited to explicit knowledge that can be written, while African indigenous knowledge is often tacit and exists in different ways such as oral knowledge, artistic, spiritual forms, and is more holistic. For instance, when looking at the issue of land, in African indigenous societies, land is not something you own, because there is a symbiotic relationship

between nature and human beings. They depend upon one another.

The COVID-19 pandemic is a global phenomenon that affects all sections of society. It is not only biological but also has social, economic, environmental, cultural and political dimensions. This means that it needs a complementarity of knowledge systems for sustainable solutions. In most African societies, indigenous forms of knowledge on traditional medicines and healing systems are used. These are not only about treating the biological aspect of health, but also involve the holistic dimensions of health embedded and articulated in indigenous languages and philosophies. For instance, in South Africa, there is an African indigenous philosophy called “Ubuntu”, which promotes solidarity, compassion, human dignity, consensus and respect, to mitigate common challenges.

What colonialism and apartheid did, was to destroy a sense of confidence among African people towards their own cultures, including value and knowledge systems. The concept of building on the indigenous as articulated in this presentation, is not necessarily what is traditional but whatever the African people themselves in their diverse cultures and ecosystems, consider to be an authentic expression of themselves. Building on the indigenous creates confidence and thereby, active citizenry. The success of African communities in dealing with the pandemic shows that African indigenous knowledge systems can contribute towards the global pool of knowledge in order to tackle global challenges. What COVID-19 is showing is that when Africa, like other regions in the world including East Asia and Europe, builds on the indigenous and mobilises grassroots knowledge and innovation systems, home-grown philosophies and indigenous languages so people become actively involved in mitigating global and community challenges. It creates a common purpose in which communities build a sense of confidence and self-reliance in all levels of societies.

Contrary to Western thought, that before colonisation African people had no social institutions nor history, African historical and archeological testimonies such as the remains of the ancient city of Gede in Kenya, Great Zimbabwe, the Great Pyramids, Timbuktu and other historical landmarks, show that Africa is the cradle of humankind

and is where the oldest record of scientific and technological achievements are located. These historical achievements could have only been guided by highly sophisticated African indigenous socio-economic, political, spiritual and cultural institutions developed by African people's themselves. However, post-colonial African countries have not managed to leverage these Indigenous Knowledge Systems, including historical scientific and technological achievements and resources for sustainable development.

For instance, the African continent is positioned in the strategic global navigation routes, surrounded by the Atlantic Ocean, the Indian Ocean, the Red Sea and the Mediterranean Sea. Recently there is the free and open Indo-Pacific Economic zone, which is not just an economic zone but also a cultural zone that connects the Pacific, the Indian Ocean, both in Africa and in Asia. Therefore, African countries can harness the rich potentialities of the blue economy, agricultural, wildlife, mineral and human resources, cultural and linguistic diversity, together with its historical legacy and heritage as sustainable developmental assets in the global economy.

The important thing to recognise is that these cultural diversities are not characteristics of African countries only, they exist everywhere, within the UK, Europe, Japan, Korea and China. Each has its own diversity of indigenous knowledge, value systems, which communities use in all aspects of life to mitigate against different life challenges.

Building on the indigenous and advancing complementarity of knowledge systems as an asset paves the way for: (i) creating high-level multilateral platforms and strategic partnerships that advance international human understanding, mutual cooperation, social and epistemic justice; (ii) development of strategic programmes and partnership to produce unique products and services for competitive advantage in the global market economy through the interface of AIKS and resources with other knowledge and technological systems; (iii) building a new generation of global human capital conversant in the significance of Indigenous Knowledge Systems for international peace-building, sustainable and dynamic global market economy; and (iv) develop global educational programmes to promote knowledge and awareness

on Africa's rich cultural diversity and historical contribution to the global pool of knowledge;

Professor Kaya concluded that when diversity is seen as an asset these could be harnessed for the benefit of humankind and to mitigate global challenges.

**Presentation Title:** British perspective of the impact of the pandemic on US-China relations and its implications

**Speaker:** Mr. Nigel Inkster CMG, Senior Adviser to IISS and former Assistant Chief and Director of Operations and Intelligence at the British SIS (also known as MI6)

Note: This presentation was made in English and simultaneously translated into Japanese for the Japanese speaking audience.

Mr. Inkster CMG opened his talk by explaining that it is probably too early to say how the change brought by the COVID-19 pandemic will manifest itself over the long term, while what we can say with greater confidence is that this pandemic has exercised a catalytic effect on trends that were already apparent. He then explained, from a British perspective, the impact of the pandemic on US-China relations, which were already undergoing a period of significant deterioration - from strategic alignment to one of strategic competition. This was a trend that was driven by China's rising power, which the US perceived as a challenge to its role as global hegemon, and the competition has been playing out in the realms of trade, finance and technology but always with the potential to turn kinetic. He then elaborated on the role technology, in particular ICTs, have played in the way this relationship has developed.

He explained how of particular concern for America was China's technology ambitions and the Chinese state's efforts to reengineer the global internet, and to become the standard-setter of a gateway technology, fifth-generation mobile technologies (5G), massively investing in the areas of advanced technology including quantum computing, quantum encryption, and biotechnology. He pointed out that US concerns were a complex mixture of economic, national security, and geo-political and boiled down to a conviction that telecommunications networks critical to national security and national prosperity should not be in the hands of a company so closely linked with and susceptible to control by the Chinese Party-state. US concerns about China's national ICT champion Huawei were further enhanced by a set of scenarios by Australia's signals intelligence agency, which showed that in the event of a conflict with China, reliance on Huawei-enabled technology would present serious challenges.

Meanwhile, the pandemic tipped already tense Sino-US relations over the edge and eventually led to the US national security complex banning any companies anywhere in the world seeking to sell to China large technologies based on US intellectual property, by requiring them to first obtain a licence from the US Department of Commerce. The ban on the sale of the advanced microchips on which Huawei is still dependent for its 5G systems and which China is unable to manufacture for itself is potentially very consequential.

The corona virus pandemic came at a time when globalisation had peaked and the pandemic highlighted the vulnerabilities of global supply chains that were highly efficient but not resilient and in which certain countries, particularly China, had become single points of failure in the supply chain. Already before the Pandemic, companies had begun to address these concerns by moving some manufacturing away from China to achieve greater resilience and to escape an increasingly restrictive environment within China.

This process is what has been termed “The Great Decoupling” and it has economic, financial and technology components. It is very hard to predict how this process plays out because the US and China, technologically speaking, have become so closely entangled that a complete untangling seems difficult to imagine. But the general direction seems to point towards an eventual technology and economic decoupling involving a global bifurcation in which other states will find themselves pressed to choose sides, as the UK was recently forced to do. But it is clear that the measurable costs of any such decoupling would be high and the intangible costs even higher. While China’s contributions thus far in these technologies have not been in the area of foundational science but rather in the development of existing technologies, it seems highly probable that in due course the focus and resources China is devoting to hi-tech programmes will produce genuine innovation.

The challenge we are facing in the technology area is between a laissez-faire approach and an all-of-nation approach. It is the sort of dilemma that Britain faced in the early stages of World War I, when it rapidly became clear that the laissez-faire

approach to munitions production was no match for the all-of-nation approach to warfare of Imperial Germany. It remains to be seen how the USA will respond to this, whether it might actually move in the direction of developing something like an industrial strategy fit for the 21st century. We could end up with a kind of technology bifurcation, in which some countries are using one model of communications technology and the others a different one, the Chinese one. There are questions here of technical compatibility and the risk that actually countries in the middle are forced to reduplicate and actually operate both sets of technology with all the additional burdens that this composes.

Mr. Inkster CMG concluded his remarks by asking the question of what is to be done. He noted that it is hard to make predictions because the progress of technologies is hard to anticipate but in geo-politics, the shift of power from West to East is happening and the US appears to be losing its appetite for exercising the role of global hegemon but is not yet ready to relinquish that role, nor is China yet ready to assume it. We could find ourselves in the “Kindleberger trap”, a reference to the global situation in between the two World Wars during which the US had implicitly assumed the hegemonic role previously exercised by Britain but then failed to exercise it, thereby giving rise to an international climate of instability that resulted in the Second World War. Even if the US does continue to play the role of hegemon, its allies are going to have to learn to take greater responsibility for their own security, including in the realm of technology, and are going to have to adapt to a reality in which great power contestation conditions all facets of life.

He highlighted the need to acknowledge that we live in a world of uncertainty by referring to his own former profession. He pointed out that the profession of intelligence is about managing uncertainty. He shared that he always used to say to young colleagues entering the organisation: if you like a world coloured in black and white this is not the profession for you, because we only ever deal in grey. We are constantly operating in a situation where we don't know what the answer is, where we have to make pragmatic judgments based on evidence, and where conviction, zeal and ideology are anything other than helpful. This is something that all countries are going to have to learn to adapt to, to become comfortable with uncertainty, to

recognise its inevitability and for governments to be honest with their populations in terms of acknowledging that this is the case.

**Presentation Title:** The Impact of pandemic on Korean Peninsula and East Asia

**Speaker: Dr. Dong Yong Sueng,** Former member of Council of Policy Advisors to the President of the Republic of Korea as well as a member of Council of Advisors on foreign and security policy to the BLUE HOUSE; Secretary General of Good Farmers (NGO)

Note: This presentation was made in Korean and simultaneously translated into English and Japanese for the non-Korean speaking audience.

Dr Dong Yong Sueng started his talk by pointing out 3 kinds of changes brought about by the COVID-19 pandemic which were likely to stay even after vaccines and drugs are developed to tackle it. 1) The expansion of non-face-to-face communication, including using IT and AI, 2) Changes in the Global Value Chain (GVC), turning from a global supply chain to a more regionalised one, and 3) Strengthening of central government functions. He then explained the impact of the pandemic on the Korean peninsula and on East Asia.

Dr Dong then examined the situation of North Korea before and after the pandemic. Pre-pandemic, after the Kim Jong-un administration was established in 2012, foreign relations were severed and the focus was on the development of nuclear weapons until November 2017 when they declared the completion of a nuclear programme, together with the improvement of relations with South Korea and the US. Meanwhile, between 2012 and 2017, there were two major changes taking place domestically: 1) Reform and 2) Opening of the country. Reform was known as the socialist corporate responsibility management system and ownership changed from state ownership to a more communal ownership. This operational policy has been clarified in the April 2019 revision of the constitution. In order to open the country, 4 central special economic zones and 23 regional economic development zones were designated in order to attract foreign capital. Furthermore, in 2016, they created and advanced a five-year economic development strategy for the first time since the Cold War ended. In this way, the North Korean policies were very ambitious. However, after the collapse of the February 2019 Hanoi summit between North Korea and the US the policies changed dramatically and North Korea declared that if the US would

not be moving in the direction it wanted, it would be moving to a new path. Until then North Korea was moving with the improvement of relations with the US in mind, but after the collapse of the summit, it shifted to “frontal breakthrough strategy with the might of self-reliance”. Since then, North Korea severed relation with the US and South Korea, strengthened relations with China and Russia and switched to an internal self-reliance strategy. They also declared that nuclear weapons are no longer on the table for the negotiations advocated for the sophistication of nuclear weapons.

After the pandemic started, in terms of non-face-to-face communication, North Korea closed its national borders, imposed a voluntary ban on assemblies, and mask wearing became mandatory. In terms of changes in the Global Value Chain, North Korea used the pandemic to their advantage and accelerated the self-reliance strategy. Meanwhile, it was acknowledged that the very ambitious five-year economic development plan was a failure and it was declared that a new five-year economic development plan is to be implemented starting in 2021. These are developments that may suggest a switch to self-reliance strategy; instead of globalisation, more of a regionalisation or centering on its own country. Dr Dong also explained the attempts to solve the energy problem, food security under self-reliance, swift recovery from natural disasters as well as North Korea’s attempts to combat the weakening market functions.

Dr Dong then elaborated on South Korea’s efforts under the Moon Administration to reopen dialogue with North Korea through proposals including joint epidemic prevention, proposals to start from small trade, and exploring leads for the declaration of the end of the war. However, North Korea has consistently not responded and with the pandemic response and the dramatic shooting incident of a South Korean government officer in the Yellow Sea, there is a slowdown of the reconciliation momentum. There is concern in South Korea that it will be forced to choose sides between the US or China, or risk alienation. He also noted the fact that some point to the stubborn attachment to the pre-Hanoi Summit methodology in spite of the change in environment after the collapse of the Summit.

When looking from the East Asian point of view, there was a world centering around China before the 15<sup>th</sup> century and it turned to a West-centric society after the beginning of that century, when Admiral Zheng He of the Ming Dynasty went on eight overseas expeditions to connect with the Eurasian continent, but because of domestic issues this was not successful. 50 years or so later Europeans adventured into East Asia. The concept of “the Pacific” probably did not exist at that time, however, and Columbus tried to reach China through the Atlantic resulting in the discovery of a new continent. From the 16<sup>th</sup> to 20<sup>th</sup> century, China, South Korea and Japan remained regional powers. Europe was trying to connect East and West and a Western centric world order was established. In the West, Europe did not try to go through the Eurasian continent to enter the East because there was the Ottoman Empire, so Europe had to advance through the Pacific. In the 20<sup>th</sup> century, after the Second World War and the Cold War, it has become a US-centric world. Today China, though dormant for a few centuries, is once again expanding and trying to enjoy the benefits of economic advances through opening markets and technological advances. China is trying again to reconnect the continent, to achieve what it tried in the 15<sup>th</sup> century. It also has the ambitious objective of venturing out into the Pacific. With China trying to expand both continents and oceans, the US is trying to check and curb those moves.

Dr Dong noted that after the pandemic started, with non-face-to-face and border closures, every country is heading towards more self-reliance and more nationalistic or authoritarian approaches. These countries are likely to show solidarity and this could connect the Middle East and then Europe, leading to an acceleration of conflicts between the US and China and a new geopolitical East-West Cold War may be witnessed in East Asia, leading to the Thucydides trap. The pandemic is likely to increase the power struggle between the US and China, but it is the countries in the middle who may be able to prevent both sides from going into conflict and minimise tension by playing the role of mediator.

**After the talks, panel discussions among all 4 speakers were held with questions from the moderator and the audience.**